

**THE EXECUTIVE SECRETARY'S REPORT ON THE
MEETING OF THE STANDING COMMITTEE ON
ADMINISTRATION AND FINANCE (SCAF)**

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The Standing Committee on Administration and Finance met on 23 and 25 October 1990 under the Chairmanship of Dr J. Heap (UK) and considered the following items:

- (i) Examination of Audited Financial Statements for 1989;
- (ii) Appointment of Auditor;
- (iii) Review of Budget for 1990;
- (iv) Draft Budget for 1991 and Forecast Budget for 1992;
- (v) Review of formula for calculating Members' Contributions; and
- (vi) Proposed Amendment to Staff Regulation 5.3.

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 1989

2. The Committee had before it document CCAMLR-IX/4 'Examination of the Audited Financial Statements and Appointment of an External Auditor'.

3. The Committee noted the Auditor's report that 'The statements, which are in the form approved by the Commission pursuant to Financial Regulation 10.2., have been prepared in accordance with the policies outlined in Note 1 to the Accounts and conform with International Accounting Standards' and that 'The statements are based on proper accounts and records; the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year ending 31 December 1989 have been in accordance with the Regulations.'

4. The Committee noted that there were no qualifications to the Financial Statements by the Auditor and agreed that in accordance with Financial Regulation 12.1, the Commission should signify its acceptance of the Audited Financial Statements.

APPOINTMENT OF AN EXTERNAL AUDITOR

5. Financial Regulation 11.1 requires that the external auditor shall be the Auditor-General or equivalent statutory authority from a Member of the Commission and shall serve for a term of two years with the possibility of re-appointment.

6. The Auditor-General for Australia has served the Commission for the past eight years and has indicated that he is available for re-appointment. The Committee supported his re-appointment.

REVIEW OF BUDGET FOR 1990

7. The Administration/Finance Officer introduced document CCAMLR-IX/5, explained the likely outcome of the 1990 Budget and informed the Committee that no expenditures were expected to exceed the approved appropriations.

8. The Committee noted that contributions to the 1990 Budget from two Members were outstanding.

9. The delegate for Brazil explained the reasons for the delay in making their payment and stated that the contribution would be forwarded to the Secretariat in November 1990.

10. The delegate for Argentina also apologised for the late payment and informed the Committee that 60% of the contribution was in the process of being transferred to the Commission and that the balance would be paid by the end of October 1990. An amount of A\$24 780 was received by the Secretariat on 25 October 1990.

11. As requested at the Sixth Meeting, the Executive Secretary had provided a statement of the consequences of late payment of Members' Contributions. Delegations noted that the loss of interest due to the late payment of contributions by a number of Members was regrettable. Some delegations considered that interest should be levied on contributions outstanding after the due date for payment. It was felt by other Members that a possible need to recoup such interest loss may be necessary in the future.

12. The Executive Secretary reported that some delegates had informed him that the payment of contributions would be facilitated if earlier notice of the amount could be given. It was agreed that in future the Executive Secretary would inform Members as soon as possible after the budget for the following year was adopted, of the nominal contribution based on the approved budget total and

also his estimate of the actual contribution taking into account his best estimation of possible reductions to that amount arising out of the Staff Assessment Levy, New Members' Contributions and interest on the Commission funds. Those Members who wished to, could make their contribution according to this estimate. Any adjustment necessary could be made when the actual figures became available.

DRAFT BUDGET FOR 1991

13. The budget paper was presented in the previously agreed format which distinguishes recurrent from non-recurrent expenditure. The objective of zero real growth in recurrent expenditure was not possible because of real growth in salary scales promulgated by the United Nations General Assembly, the need for the Commission to issue certain publications as required under its Convention and the desirability of making known the work of the Commission to a wider audience.

14. Delegates considered in some detail the increase in the Publications item and the need for several new publications. As a result of this consideration, a revised program of publications for 1991 was submitted by the Secretariat.

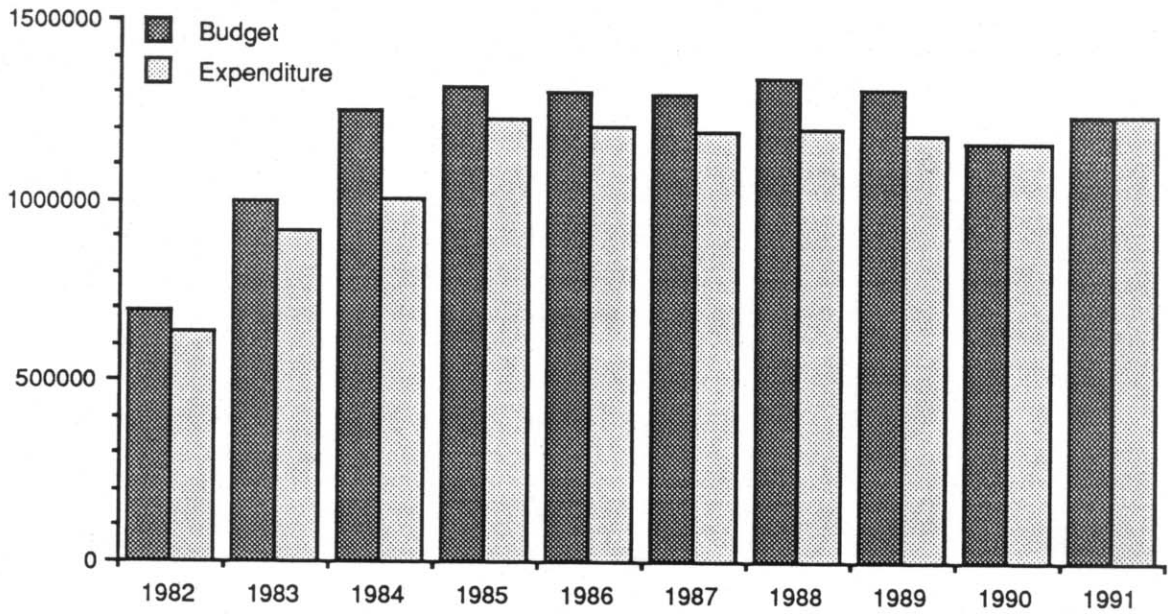
15. The Chairman of the Scientific Committee attended the Meeting to present the proposed budget of his Committee. The expenditure proposals for the Scientific program were generally accepted. The USSR delegation suggested that the Information Brochure on CCAMLR should be mainly produced in one working language of the Commission and the quantity of it should be as close as possible to the number of participants at the Antarctic Science Conference. The USSR delegation noted that the Workshop on Southern Elephant Seals is not a matter of priority in the Scientific Program and could not support the idea of funding that Workshop. The Chairman of the Scientific Committee encouraged all delegates to support the Workshop because of its importance to the work of the Commission. The purpose of the Workshop was to examine the possible causes of the well publicised decline in Southern Elephant Seal populations. He further pointed out that for the Workshop to proceed it must have the support of CCAMLR.

BUDGET RATE OF GROWTH

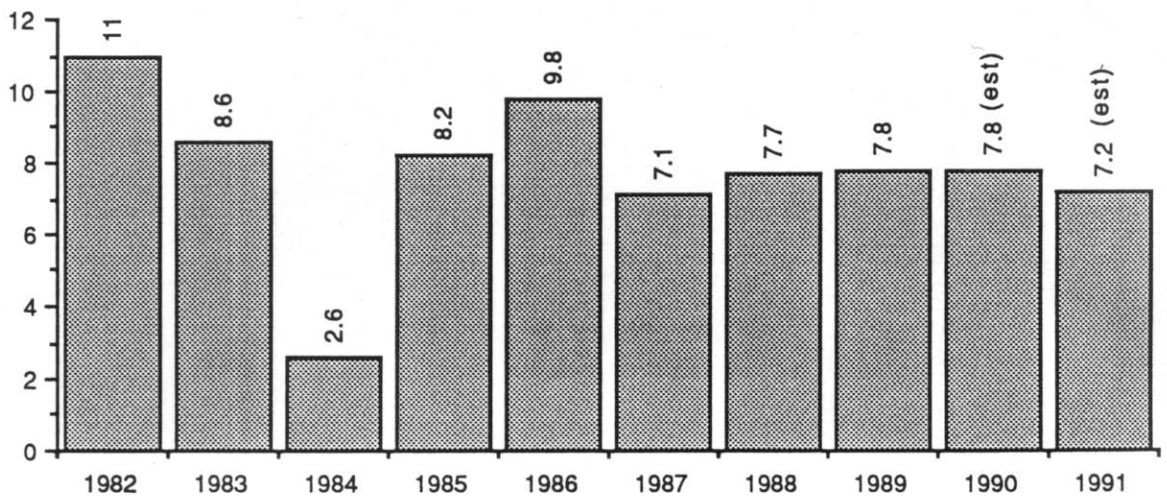
16. The proposed 1991 expenditure of A\$1 324 400 represents a nominal increase of 14.3% over that of the approved 1990 Budget. The rate of inflation for Australia in 1991 is expected to be around 7.2%, thus the 1991 expenditure will increase by 7.1% in real terms. If the expenditure is divided into recurrent and non-recurrent items according to the Commission's practice, recurrent expenditure in 1991 increases in real terms by 5.2%.

17. The Committee noted that the budgets of the Commission increased from 1982 (the year the Commission was established) to 1984 in real terms. This was because these were the formative years of the Commission in which staff were appointed and some working groups were established. From 1985 the Commission's total and non-recurrent expenditure has reduced in real terms (i.e., negative growth has been achieved since that time). The cumulative effect of that real negative growth by far exceeds the real growth projected for the 1991 Budget. The following graphs illustrate this point:

CCAMLR budgets in 1990 Australian dollars
(adjusted to NPV at annual inflation rate)



Annual inflation rate



MEMBERS' CONTRIBUTIONS

18. The Draft Budget for 1991 indicates that the total Members' Contributions after deducting estimated credits, will be \$1 086 834. The contributions calculated according to the agreed formula (CCAMLR-VI, paragraph 28) are estimated as follows:

USSR	A\$86 937
JAPAN	A\$55 245
19 other Members	A\$49 718

19. In 1990 contributions were received from the German Democratic Republic and the Federal Republic of Germany. The calculation of Members' Contributions for 1991 are based on receiving one contribution from the unified Germany.

FORECAST 1992 BUDGET

20. Most items in the Forecast Budget for 1992 are calculated on the basis of the 1991 figures, allowing 6.5% for inflation in 1992.

REVIEW OF FORMULA FOR CALCULATING MEMBERS' CONTRIBUTIONS

21. At its meeting in 1987 the Commission agreed to a formula for calculating Members' Contributions in accordance with Convention Article XIX 3 (CCAMLR-VI, paragraph 28). At that meeting it was decided that the formula should be reviewed in 1990. Such a review was to examine, in particular, the finfish/krill coefficient in the light of additional scientific evidence regarding the relative yield of finfish and krill. From the document CCAMLR IX/3, Attachment A, the Committee concluded that there had been no significant change in the finfish/krill coefficient. Since the introduction of the formula in 1987 no Member has expressed any dissatisfaction with the current method. No alternative formulae have been suggested to the Secretariat. The Committee agreed that the current formula was satisfactory and should remain in use.

PROPOSED AMENDMENT TO STAFF REGULATION 5.3

22. The Committee agreed that Staff Regulation 5.3 should be changed as suggested in document CCAMLR-IX/10. However, the Amendment should not apply to staff members who had been in receipt of the Grant under the existing Regulation. For such staff, the Grant would continue to be made available for the reimbursement of actual costs incurred. In 1991 this is A\$5 000 and should be adjusted for inflation in future years up to the limit specified in the United Nations Staff Rules. For grants approved in the future including those for newly appointed staff, the United Nations Staff Rules would apply which currently allow reimbursement of up to 75% of costs incurred with a maximum grant of US\$6 750.

**PROJECTED INCOME AND EXPENDITURE 1990, BUDGET 1991
AND FORECAST BUDGET 1992
(Australian Dollars)**

1990 Budget			Draft Budget 1991 and Forecast Budget 1992			
(1)	(2)	(3)	Item	Sub Item	(4)	(5)
Budget Adopted 1990	Estimates Projected to 31/12/90	Variance with Budget			1991	1992
INCOME						
951 600	886 555	-65 045		Members' Contributions	1 086 834	1 208 500
				Items from Previous Year		
0	0	0		• Arrears of Contributions	0	0
60 000	73 557	13 557		• Interest	60 000	60 000
0	0	0		• Members' Contributions	0	0
0	27 342	0		• New Members' Contributions	94 400	100 300
70 000	75 959	5 959		• Staff Assessment Levy	94 166	10 300
76 700	122 229	45 529		• Surplus	0	0
1 158 300	1 158 300	0	Total Income		1 324 400	1 368 800
EXPENDITURE						
DATA MANAGEMENT						
12 700	12 700	0		Capital Equipment	0	0
3 200	3 200	0		Consumables	3 400	3 600
30 000	30 000	0		Contract Labour	36 900	39 300
9 600	9 600	0		Maintenance	10 300	10 800
4 600	4 600	0		Time Share Usage	4 900	5 200
60 100	60 100	0	Total Data Management		55 500	58 900
MEETINGS						
326 000	326 000	0	Total Meetings		349 500	372 200
PUBLICATIONS						
94 000	94 000	0	Total Publications		126 000	134 200
SCIENTIFIC COMMITTEE						
86 000	86 000	0	Total Scientific Committee		93 900	96 000
SECRETARIAT COSTS						
15 800	15 800	0		Administration	16 500	17 600
60 800	60 800	0		Allowances	107 200	76 800
4 300	4 300	0		Automobile	4 600	4 900
24 700	24 700	0		Communication	26 500	28 200
3 300	3 300	9		Incidentals	3 500	3 700
3 300	3 300	0		Library	3 500	3 700
23 400	23 400	0		Office Requisites	26 300	28 000
7 700	7 700	0		Premises	8 100	8 600
426 200	426 200	0		Salaries	479 000	510 100
22 700	22 700	0		Travel	24 300	25 900
592 200	592 200	0	Total Secretariat Costs		699 500	707 500
1 158 300	1 158 300		Total Expenditure		1 324 400	1 368 800

Note: In addition to the Scientific Committee 1991 amount, a sum of \$A22 000 is to be drawn from the Norwegian Contribution Special Fund to meet the total Scientific Committee Program of \$A115 900.